

**Annex 1 - Replies to FAQs on the submission and selection phases of Specific Actions under the Thematic Facility Work Programmes
2023-2025 for AMIF, BMVI and ISF**

The content of each reply is based on the information provided by the country concerned and therefore only applies to the precise question or situation described. The Commission is committed to providing accurate responses to the questions by the country concerned. However, the information provided cannot be considered or interpreted as being contractually binding. The Commission cannot be held liable for any use made of these replies. No aspect of these replies can be considered as a formal position of the Commission.

ISF/2024/SA/2.2.1 - “Specific Action Cybercrime – non-cash-payment fraud NCPF”

| Topic classification | Question | Reply |
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| Types of applicants/cost eligibility/third countries/application package | <ol style="list-style-type: none"> 1. Can private profit-making entities participate in the call? 2. In case a private company can participate, is it possible for them to participate as main responsible entity for implementation action in the Member State (In the lead for the action)? 3. Can public corporations (no Administration) participate in the call as a partner and share the budget with the responsible organization? 4. Is it necessary to provide a more detailed budget other than the template provided in annex 2? Is it necessary for the budget to be shown by items: staff, external assistance, travel, etc.? 5. Are staff cost eligible? 6. In the project, international seminars and coordination meetings are planned. Are travel and accommodation costs for participants from both the EU and outside the EU (specifically from Latin America) eligible? 7. The call specifies that under this specific action the purchase of equipment is not eligible. We would like to clarify that in the case of the development of a specific software to be developed under our proposal with an external assistance, could the necessary server needed to make it functional be considered as an eligible cost? | <p>Questions on eligibility rules for specific actions should be addressed by the Managing Authority in line with the national eligibility and audit rules applicable to any other regular ISF project. We recall that 23 Notes on Specific Actions FAQs have been sent to the Committee since January 2022.</p> <ol style="list-style-type: none"> 1. Yes, they may be an eligible entity, subject to the provisions of Article 192 Financial Regulation (EU, Euratom) 2018/1046 (“no-profit principle”), and if they meet the EU and national rules on financial management and audit. The tasks and role of the participating entity or entities in meeting the objectives of the project/call should be clearly set out in the proposal submitted by the Managing Authority. The national eligibility rules should allow that such bodies are beneficiaries of the ISF, in the meaning of the definition included in Article 2(9) of Regulation (EU) 2021/1060. 2. Whether a private company may lead a specific action depends on the national rules in place for a Member State’s ISF programme. 3. Yes, public and private entities may be project beneficiaries, subject to meeting the relevant EU and national rules on financial management and audit (including the no-profit principle). The tasks and role of the participating entity or entities in meeting the objectives of the project/call, should be clearly set out in the proposal submitted by the Managing Authority. Further, the budget of the project can be distributed to and managed by each partner organisation through the |

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| | | <p>grant/partnership agreement or similar documents in line with the national rules.</p> <p>4. Not necessarily. The NCPF budget form requires information on expenditure per activity.</p> <p>5. The Managing Authority is in charge of setting out the applicable national cost eligibility rules. “Cost of staff involved in the actions that are supported by the Fund or actions requiring involvement of staff for technical or security-related reasons” is listed under Annex III of the ISF Regulation.</p> <p>6. The Managing Authority is in charge of setting out the applicable national cost eligibility rules. Third countries cannot benefit directly from ISF funding. When it comes to costs incurred by a third country, a Member State could decide to reimburse these costs from its own additional specific action allocation following the rules of its ISF programme in terms of contractual obligations with the third country. We recommend that the Managing Authority, when reviewing the draft application, examines the nature of the participation of third countries under the specific action. If it is deemed necessary to reimburse costs incurred by a third country, the Managing Authority should make sure that reimbursement from their own allocation is possible in accordance with the national rules. This also means that there is a proper audit trail for this expenditure.</p> <p>7. No, any purchase of equipment is not allowed under this call for expression of interest (see page 6 of the call text).</p> |
| <p>Scope of the call</p> | <p>There is a need to be able to track transactions made with "privacy coins". These are cryptocurrencies in which each transaction is encrypted with a new encryption key. In contrast to common blockchain cryptocurrencies, such as Bitcoin, all information about the sender, recipient and amount is encrypted. These cryptocurrencies are very often associated with criminal activities within or outside the darknet and pose a major problem for European law enforcement authorities.</p> <p>Would a project on "tracing of privacy coins" fall within the scope of ISF/2024/SA/2.2.1? Our project would be</p> | <p>Even though the draft project seems interesting and useful, it does not fall under the scope of Specific Action 2.2.1 NCPF, unless its focus would be on cross-border cooperation on tracing privacy coins specifically used to launder proceeds of non-cash payment fraud.</p> <p>We draw your attention to the fact that the ISF Thematic Facility Work Programme 2023-2025 (page 7) includes an open call for proposals on digital investigations (Union Actions under direct management by the Commission. The call is expected to be launched later this year.</p> |

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| | <p>broader than payment fraud as it is also relevant to organized crime and illegal activities. However, the project would probably not offer a focus on victim assistance or prevention.</p> | |
| <p>Participation of third countries</p> | <p>In case of transnational projects could both Member State and non-Member States countries apply? Or only Member States?</p> | <p>Involvement of third countries may be useful to enhance operational cooperation with partners where fraud originates or is instrumental to step up prevention measures based on existing best practices. However, third countries cannot benefit directly from ISF funding. They may be included in the partnership of a transnational action, if the proposal involves one or more Member States participating in the ISF and a Member State is the lead applicant. (The conditions for transnational cooperation must be met by participation of Member States).</p> <p>When it comes to costs incurred by a third country, a Member State could decide to reimburse these costs from its own additional specific action allocation following the rules of its ISF programme in terms of contractual obligations with the third country.</p> <p>We recommend that the Managing Authority, when reviewing the draft application, examines the nature of the participation of third countries under the specific action. If it is deemed necessary to reimburse costs incurred by third country, the Managing Authority which will reimburse the costs of the third country should make sure that reimbursement from their own allocation is possible and will be done in accordance with their national rules. This means also that there is a proper audit trail for this expenditure.</p> |